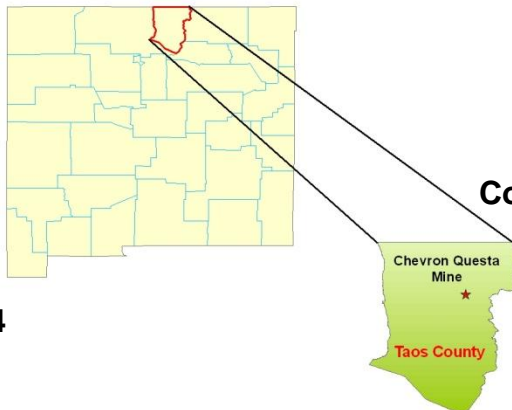


CHEVRON QUESTA MINE

(TAOS COUNTY)
NEW MEXICO

EPA ID# NMD002899094
Site ID: 0600806



EPA REGION 6

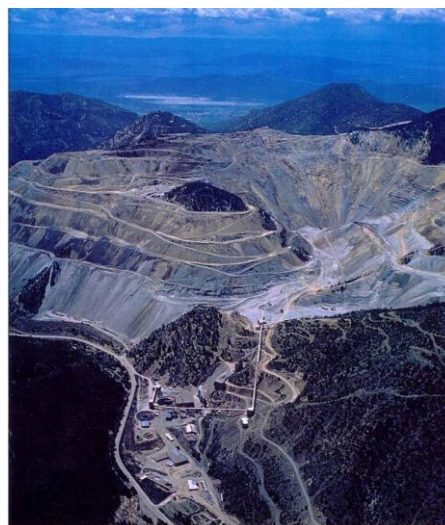
CONGRESSIONAL
DISTRICT 03

Contact: Gary Baumgarten
214-665-6749

Updated: July 2012

Background

The Chevron Questa Mine site (Site), formerly MolyCorp, Inc., is located in and near the village of Questa, Taos County, New Mexico. The Site includes a molybdenum mine and milling facility located on three square miles of land and tailing ponds located on approximately one and a half square miles of land, which are currently owned and operated by Chevron Mining Inc. (CMI). A nine-mile long pipeline running along State Highway 38 connects the milling facility to the tailings ponds. Mining operations at the site began at the mine in 1920. Open pit mining was conducted from 1965 to 1983 and resulted in over 328 million tons of acid-generating waste rock being placed into nine piles surrounding the open pit. Mining is currently performed underground. Over 100 million tons of tailing have been disposed at the tailing ponds.



Current Status

EPA re-proposed the MolyCorp, Inc. site to the National Priorities List (NPL) of Superfund Sites in March 2011. The site was placed on the NPL on September 16, 2011. As part of the listing, EPA changed the name of the site to the Chevron Questa Mine Superfund site (Site) based on comments received during the public comment period. EPA selected the remedy in a December 20, 2010 Record of Decision (ROD). EPA issued a Special Notice Letter (SNL) to CMI, formerly MolyCorp, Inc., on September 14, 2011, inviting CMI to enter into settlement negotiations for CMI to perform the cleanup selected by EPA for the Site. CMI responded to EPA's SNL on November 14, 2011 with an offer to perform the cleanup. Settlement negotiations on a remedial design and remedial action (RD/RA) Consent Decree are currently ongoing between EPA and CMI. The State of New Mexico (State) is participating in the negotiations.



EPA, the State and CMI also entered into separate negotiations for CMI to perform early actions at the Site while the RD/RA Consent Decree negotiations are ongoing. On March 7, 2012, EPA and CMI reached an agreement (Administrative Order on Consent or AOC) for CMI to perform removal actions at the Site beginning in 2012. The removal actions will consist of (1) removal of PCB-contaminated soil at the Mill Area with off-Site treatment/disposal, (2) removal of historic tailing spill deposits along the Red River riparian corridor, (3) removal of contaminated sediment at Eagle Rock Lake and installation of an storm-water control structure for the lake inlet, and (4) the piping of unused irrigation water within the eastern diversion channel adjacent to the tailing facility. Field work began in June 2012 with a pre-construction meeting and health and safety meeting. Removal of PCB-contaminated soil in the mill area, is scheduled to begin in July 2012.

EPA, the State and CMI are continuing to negotiate another AOC for CMI to perform early design actions at the Site. The early design work may involve an additional pre-design ground water investigation at the tailing facility, design support investigations for ground water extraction wells and expanded seepage collection systems, pilot studies and treatability studies for remediating the waste rock piles, a slope stability analysis for the rock piles and treatability studies for water treatment.

Benefits

The selected remedy outlined in the ROD will allow EPA to mitigate threats to public health and the environment from the release or potential release of hazardous substances, pollutants, and contaminants at or from the Site.

National Priorities Listing (NPL) History

Site Hazard Ranking System Score: 50

Proposed Date: 5/11/00

Re-proposed Date: 3/10/11

Final Date: 9/16/11

Site Description

Location: The mine site is located 4 miles east of Questa, Taos County, New Mexico. The tailings ponds are located 1 mile west of Questa.

Population: An estimated 1,100 people live within a mile of the tailings ponds. There are no people currently living within one mile of the mine site.

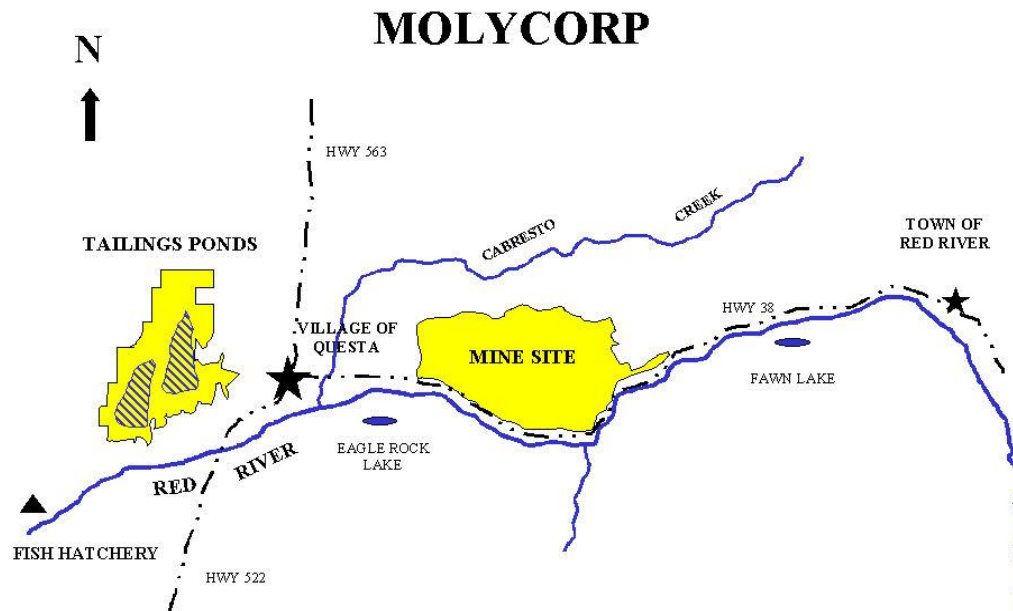
Setting: The mine site and milling facility are located in the Sangre de Cristo Mountains and the tailing facility is located in the Rio Grande rift basin. The mine and tailings ponds are bounded to the south by the Red River, a tributary of the Rio Grande. The Red River is home to a State fish hatchery located 2 miles downstream of the tailings ponds and is designated as a Wild and Scenic River in the vicinity of its confluence with the Rio Grande. Over the years numerous breaks in the pipeline resulted in the spilling of tailings into and along the flood plain of the Red River, threatening the fishery and nearby endangered species habitats. Tailing seepage from the tailings ponds and acidic metal-laden leachate generated from the weathering of the waste rock piles (referred to as acid rock drainage or ARD) at the mine site have contaminated ground water and surface water. Past operating practices at the tailing facility has resulted in adjacent surface soil being contaminated with molybdenum. A small lake, known locally as Eagle Rock Lake, is located along the Red River riparian corridor and receives its water from the river through an inlet gate. Sediments in Eagle Rock Lake are contaminated with heavy metals.

Hydrogeology: Mine Site — Contaminated ground water within side drainage basins flow into the Red River alluvial aquifer. Some of the ground water within the alluvial aquifer flows into the Red River as seeps and springs at zones of upwelling. Acidic, metal laden seepage at the toe of the Capulin and Goat Hill North rock piles is captured and directed to the underground mine workings. The dewatering of the underground mine workings has created a zone of capture for the deep bedrock ground water. Molycorp uses water collected from the underground workings and the alluvial aquifer (via pumping wells) for production water in its milling operations.

Tailings Ponds — Ground water is present beneath the tailings ponds in an upper alluvial aquifer and a basal volcanic aquifer. Saturation of the tailings has created a partial mounding of ground water beneath the ponds. Seepage from the tailings ponds has moved both downward into the underlying aquifers and laterally to ground surface as seeps. Seepage-impacted water is extracted by collection systems and discharged to the Red River via a permitted outfall (002 Outfall).

Principal Pollutants: Heavy metals, including aluminum, arsenic, cadmium, chromium, cobalt, fluoride, lead, manganese, molybdenum, sulfate and zinc.

Site Map



Record of Decision

Signed: December 20, 2010

Remedy Selected:

Mill Area – Excavate PCB-contaminated soil and dispose at off-site treatment/disposal facility, cover with 3 feet of amended, non-acid generating waste rock in areas designated for forestry and revegetate;

Mine Site Area – Source containment by regrade of waste rock piles to slopes ranging between 3 horizontal to 1 vertical and 2 horizontal to 1 vertical interbench slopes, with partial/complete removal of waste rock to accommodate slope requirement, cover with 3 feet of amended, non-acid generating waste rock and revegetate; operate seepage interception and ground water extraction systems, dewater underground mine, treat water, provide temporary alternate water supply if necessary, and temporary well drilling restrictions;

Tailing Facility Area – Source containment by regrade, cover, and revegetation of tailing impoundments, upgrade of existing seepage collection (drains and wells), piping of irrigation water in eastern diversion channel, ground water extraction and water treatment, control access to site by physical barriers, including exclusion fence to restrict access by deer and elk, provide wildlife drinkers, provide temporary alternate water supply if necessary, and temporary well drilling restrictions;

Red River, Riparian, and South of Tailing Facility Area – Remove molybdenum-contaminated soil and tailing spill deposits and on-site disposal;

Eagle Rock Lake – Inlet storm water controls, dredge sediment and on-site disposal.

Contacts

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| EPA State Coordinator: | Kathy Gibson | 214.665.7196 |
| New Mexico Environment Department: | Joe Fox | 505.827.2340 |
| EPA Region 6 Superfund Toll Free Number: | | 800.533.3508 |